

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOVELACEVILLE WATER COMPANY REQUEST)
TO ABANDON) CASE NO. 2014-00136

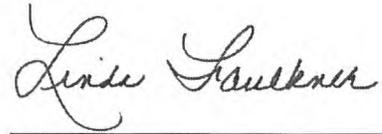
NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on September 17, 2014 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on September 17, 2014.

A copy of this Notice, the certification of the digital video record, and hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2014-00136/2014-00136_17Sep14_Inter.aspx. Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 22nd day of September 2014.

A handwritten signature in cursive script that reads "Linda Faulkner". The signature is written in black ink and is positioned above a horizontal line.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

J. Eric Young
Owner
Lovelaceville Water Company
626 Elmos Road
Sedalia, KY 42079

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

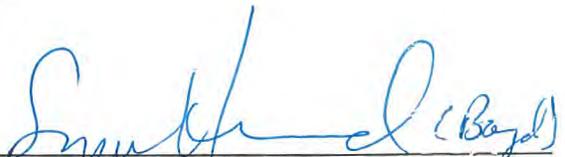
LOVELACEVILLE WATER COMPANY REQUEST TO) CASE NO. 2014-00136
ABANDON)

CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on September 17, 2014. The Hearing Log and Witness List are included with the recording of September 17, 2014.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of September 17, 2014.
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of September 17, 2014 and the time at which each occurred.

Given this 19th day of September, 2014.



Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017



Session Report - Detail

2014-00136_17Sept2014

Lovellaceville Water Company

Date:	Type:	Location:	Department:
9/17/2014	Other	Public Service Commission	Hearing Room 1 (HR 1)

Judge: David Armstrong; Linda Breathitt; Jim Gardner
 Clerk: Sonya Harward

Event Time	Log Event
9:45:53 AM	Session Started
9:45:55 AM	Session Paused
10:05:01 AM	Session Resumed
10:05:07 AM	Chairman David Armstrong Introductions Note: Harward, Sonya Vice Chairman Jim Gardner and Commissioner Linda Breathitt
10:05:28 AM	Eric Young, Lovellaceville Owner/Operator, Introduction
10:05:39 AM	Chairman Armstrong - Call for Public Comment Note: Harward, Sonya No public to make comment at this time.
10:06:50 AM	Public Notice has been provided.
10:07:04 AM	No outstanding motions.
10:07:42 AM	Chairman Armstrong Preliminary Remarks
10:08:28 AM	Eric Young is sworn in and answers preliminary qualifying questions. Note: Harward, Sonya Answering questions asked by Chairman Armstrong about customers, infrastructure, and operation of his utility.
10:17:20 AM	Chairman Armstrong to Mr. Young Note: Harward, Sonya Asking about current rates and last rate increase.
10:19:39 AM	Chairman Armstrong to Mr. Young Note: Harward, Sonya Asking if there is an estimate of how much repairs would be to get utility into good working condition.
10:21:41 AM	Chairman Armstrong to Mr. Young Note: Harward, Sonya Asking if any customers have expressed interest in taking over operation.
10:22:15 AM	Chairman Armstrong to Mr. Young Note: Harward, Sonya Asking what his purpose is here today.
10:25:52 AM	Atty. Jonathan Beyers Cross Exam of Mr. Young Note: Harward, Sonya Asking for brief makeup of the distribution system.
10:28:38 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking about meters purchased for the system.
10:31:45 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking about the declining condition of the plant since his ownership of the plant.
10:34:10 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking about water loss.
10:36:52 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking about water loss increase: 25 percent loss in 2010, 50 percent loss in 2011-2012, and now up to 70 percent loss.
10:40:46 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking what the \$150,000 repair estimate includes.
10:42:00 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya Asking for a breakdown for the major costs in producing water.
10:42:48 AM	Vice Chairman Gardner interjects a question. Note: Harward, Sonya Asking why electricity costs increase when leaks increase.

10:45:43 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Referencing Mr. Young's Response to Commission's Request, Item 6, regarding 137 DOW violations when Mr. Young took over the system.
10:47:30 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about actions taken by DOW for violations.
10:49:13 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about significant leak in July 2014.
10:51:55 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking how much water is currently being sold on a daily basis.
10:54:00 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about leaks on the customer side of the system.
10:57:00 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if he considers removing a meter to discontinue a customer's service.
10:58:40 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about the financial condition of the utility.
11:00:17 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about current and delinquent customers on the system.
11:01:59 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Referencing Mr. Young's Response to Commission's Request, i\Item 9, regarding a customer bringing an account current.
11:02:33 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about a rate increase.
11:05:38 AM	Commissioner Breathitt interjects a question. Note: Harward, Sonya	Asking about customers who have already dug wells and stopped service.
11:07:40 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if there have been any requests for an increase to keep service.
11:08:00 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about fees on the bills for returned checks and late fees.
11:10:00 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about his efforts to find someone to take over the utility.
11:15:36 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if he plans to sell the system or give it away.
11:16:27 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if he's had any more communication with Ballard County officials about forming a water district.
11:19:02 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if land the facility sits on is leased.
11:23:05 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking if he's had recent discussions with DOW representatives about the abandonment of the utility.
11:24:04 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking about shutting down the system and water no longer running to customers.
11:27:38 AM	Atty. Beyer to Mr. Young Note: Harward, Sonya	Asking what the number one issue for the plant is...is it the physical condition or the financial condition of the system.
11:28:39 AM	Vice Chairman Gardner to Mr. Young Note: Harward, Sonya	Asking about the location of the wells.
11:29:00 AM	Last Call for Public Comments	
11:29:56 AM	Chairman Armstrong's Closing Comments	
11:30:03 AM	Adjourned	

11:30:06 AM Session Paused
11:30:38 AM Session Ended